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Investments, relationships at Cypress Gulf add revenue

Site developer stays ahead with concrete crushing and dirt pit additions

Tampa Bay Business Journal - by [Jane Meinhardt](#) Staff Writer

TAMPA -- Diversification and longtime business relationships are high on Cypress Gulf Development's business priorities list.

These and other strategies are keeping the site developer alive and well during a market buffeted by what James M. Glover, company president, describes as "tough headwinds."

Cypress Gulf is dealing with fewer market opportunities and more competition, which translate into lower margins. At the same time, much higher fuel costs and rising materials costs -- especially for anything petroleum or steel related -- increase overhead.

Incorporated in 2004, the company invested in a concrete crushing system the next year to add a revenue stream and steer it toward green services and environmentally friendly processes. Although the capital investment was about \$1 million, that diversification strategy has paid off and helped the company keep its momentum, Glover said.

In 2005, the concrete crushing operation added \$100,000 to the company's revenue. The revenue increased to \$667,000 the next year and added \$1.5 million in revenue in 2007.

Cypress Gulf also invested in a dirt pit operation that boosted revenue starting in 2006. The company sells dirt from the pit on County Road 39 south of Plant City.

In 2006, the dirt pit operation added \$421,000 in revenue. Last year, its revenue was \$393,000.

Glover credits the concrete crushing operation with keeping the company's bottom line healthy.

"It is very capital intensive, but it has paid for itself," he said. "It helps maintain a viable business model. We've been doing it for three years, and we're still learning."

Crushed concrete is used for the bases of road and parking lots. The majority of what Cypress Gulf produces is sold to private contractors.

The company has recycling bins on job sites for concrete rubble from buildings, sidewalks and other sources plus several yards where concrete rubble is deposited. A portable crusher travels from site to site.

In 2007 alone, Cypress Gulf recycled 100,000 tons of concrete that would have gone to landfills, Glover said.

Most site development businesses have had to diversify somewhat, particularly ones that have been dependent on residential work, said Steve Cona Jr., president and CEO of the Florida Gulf Coast Association of Builders and Contractors in Tampa. Concrete crushing operations provide some revenue stability because "aggregate continues to be in demand," Cona said, and contractors involved with commercial development have enough work to carry them through this year.

Commercial development involving prominent, repeat clients is a mainstay for Cypress Gulf, which has done site development projects for Pinellas County developers Grady Pridgen and Echelon.

"I nurture relationships with the top developers and contractors so we have repeat business," Glover said. "I do all our business development. The biggest thing is solving our clients' problems."

His background and work experience as a design engineer have helped differentiate the company from its competitors.

Cypress Gulf provides preconstruction site estimations for its clients, which "gets us in on the front end of jobs," Glover said. "Not a lot of site contractors do conceptual estimations for their clients," he said.

Glover also has tweaked his company's staff. When work is slow in one segment of the business, he shifts employees to busier segments.

When the market began slowing in mid-2007, he thinned out the "bottom 10 percent" of the company's employees, based on performance. This strategy gave him the opportunity to hire better qualified equipment operators and other people laid off by competitors.

Cypress Gulf currently has 50 employees with flexible job skills, he said.

INFO

KATHLEEN CABBLE

Jim Glover, president of Cypress Gulf Development Corp., speaks with Emmitt Hunter, heavy equipment operator, at the concrete crushing facility.

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